

HAZARDOUS WASTE USER CHARGE (HWUC) STAKEHOLDER WORKGROUP MEETING SUMMARY

January 5, 2012

Meeting Time and Location: 1:00-4:00 p.m., Con Con Conference Room, Constitution Hall, Lansing, Michigan

Meeting Attendees: 16 stakeholders; 5 Department of Environmental Quality (DEQ), Resource Management Division (RMD), staff; and 6 invitees absent. Bill Lievense attended in place of David Gustafson.

Members received several handouts: a copy of the Hazardous Waste User Charge Report dated April 6, 2010, a Program Description of the Hazardous Waste Management Program, the RCRA Work Plan Program Elements, and the DEQ, RMD, Hazardous Waste Program organization chart. Copies of these documents along with the recommendations made by the 1998 and 2004 HWUC stakeholder workgroups were also made available via the RMD's Web site.

Introductions were made around the room. Jim Sygo, Deputy Director, DEQ, welcomed the workgroup and explained the importance of the task being set before the group.

The workgroup is tasked with developing a consensus recommendations report to address funding Michigan's Hazardous Waste Program (Program). The report will be the basis for drafting legislation and for planning for the RMD's FY14 budget. The FY14 budget planning begins in October 2012 as part of the governor's two year budget planning cycle. This timeline requires the report to be ready in August 2012. The stakeholders agreed that an initial draft should be ready the first week of July 2012.

The statutory ability of the Program to collect user charges sunsets in 2013. Even though the current user charge process does not collect sufficient funds to sustain the Program through 2013, the difference has been covered by a shifting of other funds.

In order to identify the program costs, the workgroup agreed to evaluate the scope of the Program that should be supported. The cost of that level of service would be used to determine the appropriate fees or taxes.

The question was asked, in light of the goals of the workgroup, whether the workgroup had any additional suggestions for inclusion to our upcoming discussions or if the current representation seemed appropriate. Andy Such (thinking of National Federations of Independent Businesses [NFIB]) and Eric Weiss (thinking of Michigan Auto Dealers Association [MADA]) will contact a few groups and investigate their interest in participating. The Michigan Chemistry

Council will have a seat in the workgroup. Because the recommendations made by the workgroup could impact the United States Environmental Protection Agency (USEPA), the RMD will obtain a point of contact.

The initial question to be answered by the workgroup is whether there is support to maintain the Program or return the program duties to the USEPA, Region V. The consensus appeared to be that the workgroup supports maintaining the Program for the purposes of continuing the discussion.

The workgroup questioned Michigan's authorization and what, if any, services above those required to maintain authorization are provided. This information will be provided at a future meeting.

More details were requested about the organizational chart handout regarding staff numbers and how it correlates to the Work Plan.

The financial discussion for the group may begin with budget parameters, bill backs from the Department of Management and Budget, and industry outlooks. This information will be provided for the next meeting.

The workgroup asked for information relative to the universe of generators. This information will be provided at the next meeting.

There was discussion relative to the Office of Regulatory Reinvention (ORR) report recommendations and the impact they may have on the work of the group. The ORR report is not a public document, however, it was decided that the original recommendations made by the RMD could be shared. RMD staff will make this information available to the workgroup.

The 2010 Hazardous Waste User Charge Report to the legislature contains funding details. The question was raised if those details have changed. Yes, revisions have occurred and that information will be provided at a future meeting.

The idea of having a future role of the workgroup for the Program was suggested. The workgroup thought there would be benefits to the maintenance of such a workgroup.

There was a presentation of the Program Elements from the RCRA Work Plan.

There was a discussion regarding some of the flaws with the HWUC system. Collection costs are relatively fixed and run about 25 percent. The invoices are based upon the generator status provided by the generator looking into the future. The invoice comes in the year following the actual hazardous waste activities. Captive waste management is not included in the system. Waste minimization activities decrease the number and size of the handlers captured by the HWUC process.

The workgroup questioned whether staff time is evenly spent on all the users (i.e., generators) or do larger ones receive more attention. Staff agreed to provide more information at a future meeting.

Staff explained the Senior Environmental Employee Program (SEEP) and their significant value to the Program. Funding for the SEEPs comes through a federal grant-contract and requires no state matching funds; however this grant program could disappear at any time and cannot be guaranteed to continue in the future.

For the next meeting, the workgroup will discuss how they envision the Program. Discussion will include the various services provided and to whom they are provided. Members will be asked if it would be beneficial to eliminate anything or make any modifications.

Thursday afternoons on a three-week cycle were decided upon for future meetings. The next meeting was agreed to be set for January 26, 2012, starting at 1:00 p.m. in the Rachel Carson conference room, Constitution Hall, Lansing. The ability to conference call into the meeting will be made available. Alternates may be sent to a meeting in the case of attendee schedule conflicts.

The third meeting was tentatively scheduled for February 16, 2012, with a location to be determined later.